

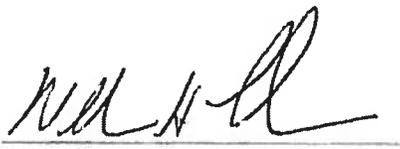
IV. External Quality Assurance Review

An external quality assurance review was performed in November 2012 by members of the State Agency Internal Audit Forum (SAIAF). This review assessed the compliance with The Texas Internal Auditing Act (Tex. Gov't. Code Chapter 2102), the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing*, and U.S. General Accounting Office *Government Auditing Standards*. The final report was issued in January 2013. The following opinion was reported to the Commissioner:

“Based on the information received and evaluated during this external quality assurance review, it is our opinion that the Texas Department of Agriculture (TDA) Internal Audit Division receives a rating of “pass” and is in compliance with the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing and Code of Ethics, the United States Government Accountability Office (GAO) Government Auditing Standards, and the Texas Internal Auditing Act (Texas Government Code, Chapter 2101). This opinion, which is the highest of the three possible ratings, means that policies, procedures, and practices are in place to implement the standards and requirements necessary for ensuring the independence, objectivity, and proficiency of the Internal Audit function.”

The report also indicated that TDA’s Internal Audit Division is “independent, objective, and able to render impartial and unbiased judgments on the audit work performed. The staff members are qualified, proficient, and knowledgeable in the areas they audit. Individual audit projects are planned using risk assessment techniques; audit conclusions are supported in the working papers; and findings and recommendations are communicated clearly and concisely. The Division is well managed internally. The Division has effective relationships with and is well respected and supported by management. Interviews conducted during the quality assurance review indicate that management considers Internal Audit a useful part of the overall agency operations and finds that the audit process and report recommendations add value and help improve the agency’s operations.”

Our next quality assurance review will be planned for November 2016.



William H. Lawler, CPA
Director of Internal Audit
Texas Department of Motor Vehicles
SAIAF Peer Review Team Leader

2/1/13

Date



Brandon Tanous, CIA
Senior Auditor
Texas Department of Public Safety
SAIAF Peer Review Team Member

2/1/13

Date